

Smithsonian Institution Governance Reform and
A Report by the Smithsonian's Independent Review Committee
June 26, 2007

Good morning. I would like to welcome the witnesses who have agreed to testify today:

- Congresswoman Matsui;
- Charles Bowsher, Former Comptroller General, and Chairman of the Independent Review Committee;
- Roger Sant, Chair of the Smithsonian Executive Committee;
- Cristián Samper, Acting Director of the Smithsonian; and
- Diana Aviv, Member of the Smithsonian Governance Committee.

We'll hear from each one of them, each has been working very hard, and we look forward to their views.

On April 18, the Committee held a hearing that focused on a number of serious issues facing the Smithsonian. They ranged from a \$2.5 billion backlog in facilities maintenance to the former Secretary's compensation package and lavish spending practices that were allowed to continue unchecked by the Board of Regents throughout his tenure.

The circumstances that led to the crisis are well documented and were further illuminated this week by the report of the Independent Review Committee.

Unfortunately, it appears that the former Secretary was able to take advantage of weak oversight by the Smithsonian Board of Regents to run the Institution with little regard for critical advice or input. That's a situation that clearly must be addressed. And I know the Board is aware of it, and hopefully they will make the necessary changes.

In April, I asked the Board to provide the Committee with a report, in writing, on the reforms that they were contemplating to address this crisis of leadership.

On the whole, the Governance Committee report that was issued last week demonstrates a dedication to making the necessary adjustments.

However, several outstanding issues remain:

- How rapidly should a new Secretary and Deputy Secretary be selected? Under the current scenario, the Board won't even decide on a possible compensation range, until at least September 22. Is this adequate? Candidly, I think not.

- Should the Board be expanded to include regents with a broader range of expertise?
- Should the Board meet at least six times a year as recommended by the Independent Review Committee, instead of the four times per year recommended by the Governance Committee?
- Should the role of the Congressional Regents be changed? Can they dedicate sufficient time and attention to the Smithsonian and exercise the full fiduciary responsibility required of them?
- Should Congressional Regents recuse themselves from acting on or voting on measures related to the Smithsonian's authorization and appropriations?
- Should the Chief Justice and Vice President become non-fiduciary members of the Board without a vote?
- Should the ban on Smithsonian executives serving on outside boards be implemented immediately rather than on September 1?
- Should the Smithsonian conduct a top to bottom audit of the expenses of Mr. Small and his wife?
- And finally, why has the Inspector General's report on the Smithsonian Business Venture expenses been delayed for so many months? And should there be an independent comprehensive review of the business spending unit?

These are nine specific issues which remain on my mind, and hopefully through this testimony we can clear them up.

I am heartened by the Independent Review Committee's opinion that with the exception of Larry Small and some other top executives at the Institution, the strong ethical values of the scientists, researchers, curators and other employees at the Smithsonian remain strong.

I remain convinced that with quick and thoughtful action the Smithsonian will weather this storm, and emerge a stronger and more vibrant institution.